

To: Rectors, Wardens and Vestries
From: Steve Abdow
Subject: Annual Parish Audit
Date: January, 2009

I am delighted to tell you that as of this writing 65 of the 67 congregations in our diocese completed audits for 2007. The 66th parish reports the audit is in progress. It is a point of great pride for our diocese that we do such an excellent job with the annual audits. As you know an annual audit is required by canon, [see enclosed *Canonical Audit Requirements*] and we assured our state legislators of our goal of full financial transparency, with an annual audit being a cornerstone of that transparency.

At the first meeting of the Vestry following receipt of this memorandum, please make arrangements for the 2008 parish audit. In our diocese, the audit can be performed by (1) a **three-person** parish audit committee, by (2) a Certified Public Accountant, or by (3) the Rev. Ed Pease, who has been authorized by Diocesan Council to perform church audits. Our former authorized auditor, Mr. Steve Hasbrouck, is unavailable this year. However, we have been blessed by meeting the Rev. Pease, who has extensive experience with church accounting matters and clergy taxes. Ed will use the diocesan audit guidelines, and his work will be very thorough. He will make a full report to the Vestry as required by canons. If you wish to have him conduct your audit, you can contact him at (508) 668-5055 or clarkpease2@cs.com. You would be well advised to contact him immediately, as his calendar is sure to fill quickly.

Enclosed is a packet of materials for the audit of the 2008 parish financial records. It contains the materials your audit committee will need to do its work. It has been our experience that a three-person committee of volunteers can do this work very well if one member has some familiarity with financial reports and can, using the suggested work papers, direct the work of the others. We will offer a workshop at the *Wardens/Vestry Gathering* [March 7, 2008] on parish audits. Please encourage one or more of the members of your Audit Committee to attend. At the workshop we will review the audit packet materials and talk about the audit process in order to help equip audit committee members for their work.

The audit will be most valuable if it is done in a timely fashion. It is our hope that the Vestry will appoint the Audit Committee right away so the audit work can commence and be completed in March or April. Please return the **Audit Appointment Form** to Diocesan House by **March 31**. The diocesan canons require that a copy of the **Certificate of Audit** be returned no later than **July 1**.

If you need additional copies of the audit packet materials, they can be found on the Diocesan web site at <http://www.diocesewma.org/financial.html>. Then select the forms you need from the Parish Audits listing. All forms are PDF/Adobe Acrobat documents which can be downloaded and printed. Finally, if you have any questions about your parish audit, please feel free to contact me.